



February 21, 2014

ENGROSSED SENATE BILL No. 266

DIGEST OF SB 266 (Updated February 18, 2014 11:42 am - DI 92)

Citations Affected: IC 6-1.1; noncode.

Synopsis: Assessment of real property. Consolidates provisions relating to the burden of proof concerning assessments into one section of the Indiana Code (and repeals the existing provision that is moved to another citation in the Indiana Code). Specifies that if the assessed value of real property is increased above the amount of the assessed value as reduced by any assessing official or reviewing authority, the assessing official making the assessment has the burden of proving that the assessment is correct. (Under current law, this burden of proof applies only if the assessed value was reduced by the property tax assessment board of appeals.) Amends the existing law concerning the assessor's burden of proof when an assessment is increased by more than 5% over the prior tax year by specifying the following: (1) In calculating the change in the assessment, the assessment to be used for the prior tax year is the original assessment for that prior tax year or, if applicable, the assessment for that prior tax year as last corrected by an assessing official, as stipulated or settled by the taxpayer and the assessing official, or as determined by the reviewing authority. (2) If

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Effective: Upon passage; July 1, 2014.

**Schneider, Miller Patricia, Tallian,
Randolph, Zakas, Glick, Eckerty**
(HOUSE SPONSORS — OBER, CULVER, LUCAS, PRYOR)

January 13, 2014, read first time and referred to Committee on Appropriations.
January 16, 2014, reported favorably — Do Pass.
January 23, 2014, read second time, amended, ordered engrossed.
January 24, 2014, engrossed. Read third time, passed. Yeas 45, nays 0.

HOUSE ACTION

February 4, 2014, read first time and referred to Committee on Ways and Means.
February 20, 2014, amended, reported — Do Pass.

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Digest Continued

the assessor fails to meet the burden of proof, the burden of proof shifts to the taxpayer to prove the correct assessment. (3) If neither the assessor nor the taxpayer meets these burdens of proof, the assessment reverts to the assessment for the prior tax year. (4) These provisions concerning the burden of proof do not apply to an assessment that is based on improvements, zoning, or uses that were not considered in the assessment for the prior tax year. Requires the Indiana board of tax review to estimate the number of additional personnel and the amount of additional operating funds necessary to dispose of all appeals that have been pending with the Indiana board for at least 12 months as of December 1, 2014. Requires the Indiana board of tax review to submit the estimates to the legislative council before January 1, 2015.



February 21, 2014

Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

ENGROSSED SENATE BILL No. 266

A BILL FOR AN ACT to amend the Indiana Code concerning
taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-4-4.3 IS REPEALED [EFFECTIVE UPON
2 PASSAGE]. ~~Sec. 4.3: (a) This section applies to real property for which~~
3 ~~the gross assessed value of the real property was reduced by the~~
4 ~~property tax assessment board of appeals in an appeal conducted under~~
5 ~~IC 6-1.1-15. However, this section does not apply for an assessment~~
6 ~~date if the real property was valued using the income capitalization~~
7 ~~approach in the appeal:~~
8 ~~(b) This section applies to assessment dates after 2013.~~
9 ~~(c) If the gross assessed value of real property for an assessment~~
10 ~~date that follows the latest assessment date that was the subject of an~~
11 ~~appeal described in subsection (a) is increased above the gross assessed~~
12 ~~value of the real property for the latest assessment date covered by the~~
13 ~~appeal, the county assessor or township assessor (if any) making the~~
14 ~~assessment has the burden of proving that the assessment is correct.~~
15 SECTION 2. IC 6-1.1-15-17.2, AS ADDED BY P.L.6-2012,
16 SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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UPON PASSAGE]: Sec. 17.2. (a) **Except as provided in subsection (d), this section applies to any review or appeal of an assessment under this chapter if the assessment that is the subject of the review or appeal increased the assessed value of the assessed property by more than is an increase of more than five percent (5%) over the assessed value determined by the county assessor or township assessor (if any) for the immediately preceding assessment date assessment for the same property for the prior tax year. In calculating the change in the assessment for purposes of this section, the assessment to be used for the prior tax year is the original assessment for that prior tax year or, if applicable, the assessment for that prior tax year:**

- (1) as last corrected by an assessing official;**
- (2) as stipulated or settled by the taxpayer and the assessing official; or**
- (3) as determined by the reviewing authority.**

(b) Under this section, the county assessor or township assessor making the assessment has the burden of proving that the assessment is correct in any review or appeal under this chapter and in any appeals taken to the Indiana board of tax review or to the Indiana tax court. If a county assessor or township assessor fails to meet the burden of proof under this section, the burden of proof shifts to the taxpayer to prove the correct assessment. If neither the assessing official nor the taxpayer meets the burden of proof under this section, the assessment reverts to the assessment for the prior tax year, which is the original assessment for that prior tax year or, if applicable, the assessment for that prior tax year:

- (1) as last corrected by an assessing official;**
- (2) as stipulated or settled by the taxpayer and the assessing official; or**
- (3) as determined by the reviewing authority.**

(c) This section does not apply to an assessment if the assessment that is the subject of the review or appeal is based on:

- (1) improvements;**
- (2) zoning; or**
- (3) uses;**

that were not considered in the assessment for the prior tax year.

(d) This subsection applies to real property for which the gross assessed value of the real property was reduced by the assessing official or reviewing authority in an appeal conducted under IC 6-1.1-15. However, this subsection does not apply for an assessment date if the real property was valued using the income capitalization approach in the appeal. If the gross assessed value of



1 real property for an assessment date that follows the latest
2 assessment date that was the subject of an appeal described in this
3 subsection is increased above the gross assessed value of the real
4 property for the latest assessment date covered by the appeal,
5 regardless of the amount of the increase, the county assessor or
6 township assessor (if any) making the assessment has the burden
7 of proving that the assessment is correct.

8 (e) This section, as amended in the 2014 regular session of the
9 Indiana general assembly, applies:

10 (1) to all appeals or reviews pending on the effective date of
11 the amendments made to this section in the 2014 regular
12 session of the Indiana general assembly; and

13 (2) to all appeals or reviews filed thereafter.

14 SECTION 3. [EFFECTIVE JULY 1, 2014] (a) As used in this
15 SECTION, "Indiana board" refers to the Indiana board of tax
16 review established under IC 6-1.5-2-1.

17 (b) The Indiana board shall estimate the number of additional
18 personnel and the amount of additional operating funds necessary
19 to dispose of all appeals that have been pending with the Indiana
20 board for at least twelve (12) months as of December 1, 2014. The
21 Indiana board shall submit the estimates required by this
22 SECTION to the legislative council in an electronic format under
23 IC 5-14-6 before January 1, 2015.

24 (c) This SECTION expires July 1, 2015.

25 SECTION 4. An emergency is declared for this act.



COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 266, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to SB 266 as introduced.)

Committee Vote: Yeas 11, Nays 0

Senator Kenley, Chairperson

SENATE MOTION

Madam President: I move that Senate Bill 266 be amended to read as follows:

Page 3, line 7, after "IC 6-1.1-15-1" insert **"or an appeal to the Indiana board of tax review or the Indiana tax court"**.

Page 3, line 9, after "IC 6-1.1-15-1" delete ":" and insert **"or an appeal to the Indiana board of tax review or the Indiana tax court:"**.

Page 3, line 15, after "to" insert ":

(A) any change in use of a property; or

(B)".

Page 3, line 21, delete "years" and insert **"assessment dates"**.

Page 3, line 22, after "is" insert **"finally"**.

Page 3, line 23, after "IC 6-1.1-15-1" delete "," and insert **"or an appeal to the Indiana board of tax review or the Indiana tax court,"**.

Page 3, line 30, after "review" insert **"or appeal"**.

Page 3, delete lines 41 through 42, begin a new line double block indented and insert:

"STEP THREE: Increase the STEP ONE amount to:

(A) if the assessed value was not determined based on the gross rent multiplier method, the result of the STEP ONE amount as adjusted by applying to the assessed value of the property the applicable annual adjustment for the assessment date as determined under rules adopted under IC 6-1.1-4-4.5; and

(B) if the assessed value was determined based on the gross rent multiplier method, the lesser of:

(i) the result of the STEP ONE amount as adjusted by



applying to the assessed value of the property the applicable annual adjustment for the assessment date as determined under rules adopted under IC 6-1.1-4-4.5; or
 (ii) the result of multiplying the STEP ONE amount by the STEP TWO result."

Page 4, delete lines 1 through 8.

Page 4, delete lines 29 through 38, begin a new line double block indented and insert:

"STEP THREE: Increase the STEP ONE amount to:

(A) if the assessed value was not determined based on the gross rent multiplier method, the result of the STEP ONE amount as adjusted by applying to the assessed value of the property the applicable annual adjustment for the assessment date as determined under rules adopted under IC 6-1.1-4-4.5; and

**(B) if the assessed value in the review was determined based on the gross rent multiplier method, the lesser of:
 (i) the result of the STEP ONE amount as adjusted by applying to the assessed value of the property the applicable annual adjustment for the assessment date as determined under rules adopted under IC 6-1.1-4-4.5; or
 (ii) the result of multiplying the STEP ONE amount by the STEP TWO result."**

(Reference is to SB 266 as printed January 17, 2014.)

SCHNEIDER

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 266, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 1 through 16.

Delete pages 2 through 4.

Page 5, delete lines 1 through 16, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-4-4.3 IS REPEALED [EFFECTIVE UPON PASSAGE]. Sec. 4.3: (a) This section applies to real property for which the gross assessed value of the real property was reduced by the property tax assessment board of appeals in an appeal conducted under IC 6-1.1-15. However, this section does not apply for an assessment

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date if the real property was valued using the income capitalization approach in the appeal:

(b) This section applies to assessment dates after 2013.

(c) If the gross assessed value of real property for an assessment date that follows the latest assessment date that was the subject of an appeal described in subsection (a) is increased above the gross assessed value of the real property for the latest assessment date covered by the appeal, the county assessor or township assessor (if any) making the assessment has the burden of proving that the assessment is correct.

SECTION 2. IC 6-1.1-15-17.2, AS ADDED BY P.L.6-2012, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17.2. **(a) Except as provided in subsection (d), this section applies to any review or appeal of an assessment under this chapter if the assessment that is the subject of the review or appeal increased the assessed value of the assessed property by more than is an increase of more than five percent (5%) over the assessed value determined by the county assessor or township assessor (if any) for the immediately preceding assessment date assessment for the same property for the prior tax year. In calculating the change in the assessment for purposes of this section, the assessment to be used for the prior tax year is the original assessment for that prior tax year or, if applicable, the assessment for that prior tax year:**

- (1) as last corrected by an assessing official;**
- (2) as stipulated or settled by the taxpayer and the assessing official; or**
- (3) as determined by the reviewing authority.**

(b) Under this section, the county assessor or township assessor making the assessment has the burden of proving that the assessment is correct in any review or appeal under this chapter and in any appeals taken to the Indiana board of tax review or to the Indiana tax court. If a county assessor or township assessor fails to meet the burden of proof under this section, the burden of proof shifts to the taxpayer to prove the correct assessment. If neither the assessing official nor the taxpayer meets the burden of proof under this section, the assessment reverts to the assessment for the prior tax year, which is the original assessment for that prior tax year or, if applicable, the assessment for that prior tax year:

- (1) as last corrected by an assessing official;**
- (2) as stipulated or settled by the taxpayer and the assessing official; or**
- (3) as determined by the reviewing authority.**

(c) This section does not apply to an assessment if the



assessment that is the subject of the review or appeal is based on:

- (1) improvements;
- (2) zoning; or
- (3) uses;

that were not considered in the assessment for the prior tax year.

(d) This subsection applies to real property for which the gross assessed value of the real property was reduced by the assessing official or reviewing authority in an appeal conducted under IC 6-1.1-15. However, this subsection does not apply for an assessment date if the real property was valued using the income capitalization approach in the appeal. If the gross assessed value of real property for an assessment date that follows the latest assessment date that was the subject of an appeal described in this subsection is increased above the gross assessed value of the real property for the latest assessment date covered by the appeal, regardless of the amount of the increase, the county assessor or township assessor (if any) making the assessment has the burden of proving that the assessment is correct.

(e) This section, as amended in the 2014 regular session of the Indiana general assembly, applies:

- (1) to all appeals or reviews pending on the effective date of the amendments made to this section in the 2014 regular session of the Indiana general assembly; and
- (2) to all appeals or reviews filed thereafter.

SECTION 3. [EFFECTIVE JULY 1, 2014] (a) As used in this SECTION, "Indiana board" refers to the Indiana board of tax review established under IC 6-1.5-2-1.

(b) The Indiana board shall estimate the number of additional personnel and the amount of additional operating funds necessary to dispose of all appeals that have been pending with the Indiana board for at least twelve (12) months as of December 1, 2014. The Indiana board shall submit the estimates required by this SECTION to the legislative council in an electronic format under IC 5-14-6 before January 1, 2015.

(c) This SECTION expires July 1, 2015."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 266 as reprinted January 24, 2014.)

BROWN T, Chair

Committee Vote: yeas 17, nays 0.

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